

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6441**

**BILL NUMBER:** HB 1017

**DATE PREPARED:** Nov 20, 2000

**BILL AMENDED:**

**SUBJECT:** IURC Enforcement Authority.

**FISCAL ANALYST:** John Parkey

**PHONE NUMBER:** 232-9854

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill gives the Indiana Utility Regulatory Commission (IURC) authority to impose certain penalties on a utility that violates Indiana utility law or fails to comply with an order of the Commission or a division of the Commission. The bill provides for imposition of the following penalties:

- (1) A civil penalty not more than \$25,000 for each violation.
- (2) A cease and desist order.
- (3) An order that the utility take corrective action to remedy the violation.
- (4) Revocation or modification of the utility's certificate of territorial authority, certificate of public convenience and necessity, or other permit issued by the Commission.

The bill authorizes the Attorney General to bring an action to enforce a Commission penalty. It provides for the deposit of a monetary penalty in the Public Utility Fund account. The bill authorizes the Commission or a division of the Commission to order a utility to provide service within 24 hours if the Commission or division determines that the provision of service is necessary to prevent injury to any person or to alleviate an emergency. The bill provides that each day a utility fails to provide service after ordered by the Commission or a division is a separate violation for purposes of the Commission's authority to impose monetary penalties. The bill repeals a superseded statute relating to the Commission's enforcement powers.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** This proposal extends the IURC's enforcement power over regulated Indiana utilities. The proposal would give the IURC the ability to: impose civil penalties, issue cease and desist orders, and modify permits issued by the Commission. Under current law, the IURC can only revoke a certificate or permit. While this bill would make more options available to the IURC in the event of a violation or act of noncompliance, it should not require any additional procedures or expenditures for the Commission.

The proposal also authorizes the Attorney General to bring an action in a court that has jurisdiction over the noncompliant utility. If more legal actions are sought, the administrative burden of the Attorney General's office may increase.

**Explanation of State Revenues:** This bill would authorize the IURC to impose a penalty of up to \$25,000 on a utility for each violation or act of noncompliance. Penalties would be deposited into the Public Utility Fund, which is used for the operation of the IURC and the Office of the Utility Consumer Counselor (OUCC). It is not known in how many instances the IURC would impose monetary penalties. (If the IURC or the OUCC direct a utility to provide service to avoid personal injury or alleviate an emergency situation, each day the utility does not comply with the order would be considered a separate violation subject to the \$25,000 penalty.)

At the end of the fiscal year, if the total public utility fees in the Public Utility Fund plus the unspent balance of the Fund exceeds the total appropriations for the IURC and the OUCC (plus a \$250,000 contingency fund), then the IURC must compute each utility's share of the excess. This share is then deducted from any subsequent payment of the utility's public utility fees. In FY 2000, public utility fines and fees generated \$8,053,986.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Utility Regulatory Commission; Office of the Utility Consumer Counselor.

**Local Agencies Affected:**

**Information Sources:** Mike Leppert, Executive Director of External Affairs, IURC, (317) 232-2714.